

# SMART CHOICES

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HOW TO FIND MORE  
POWER, CLARITY AND PEACE  
IN THE HOME BUYING PROCESS



**CHURCHILL**  
MORTGAGE®

# GETTING STARTED

When you were growing up did your mom ever tell you to make smart choices? Now that you're an adult, it's easy to get caught up with work and life, and smart choices are often harder to come by—especially when it comes to your finances.

When it's time to get a mortgage, smart choices are essential. We get it – your voice has been heard! You want a home loan process that's **simple, flexible, and in many cases fast**. But you also want the ability to talk to an expert about who can help you achieve your short and long-term financial goals. Personal interaction and quality service (while still providing a digital and convenient experience) gives Churchill Mortgage the seal of approval.

We like to take a full 360° approach. It's more about what works for you and **helps provide transparency for you each step of the way**. Our process turns the idea of just getting any run-of-the-mill mortgage into getting a mortgage that enables you to:

- **Negotiate with more power during the buying process.**
- **Get the smartest loan products for your situation and help you close faster.**
- **Start on a path toward debt-free homeownership sooner so you'll have peace of mind and a more solid foundation for your retirement, and your future.**

Every decision you make leads to more choices. So be smart about it and make choices that give you more power, more clarity, and more peace. It's not worth getting trapped in an average mortgage and later having regret.

To help get you where you want to be in your own personal home buying journey, we'll cover some key choices that you can make along the way. We'll also share some examples to better illustrate each choice. Let's get started!



# LET'S DO SOME MORTGAGE MATH

## Do you have a 20% down payment for a house?

### Yes:

Good job! We know you've been saving diligently, and this option is an attractive one. With putting more down on your home, you'll open more doors to save money in the long-term and probably have a lower interest rate on your home loan and a more affordable monthly payment.

### No:

No worries, a smaller down payment makes it more possible for many to buy a home while keeping some savings available and having an emergency fund intact. We understand that putting 20% down isn't yet possible for a lot of people.

## Do you want to come up with a plan to save more for a down payment?

### Yes:

Good for you! Now's the perfect time to chill out on your daily run to the local coffee shop, and pump the brakes on getting carry out after work. You'll need to tighten up on your budget and really pay attention to your spending. Other good ways to save money could be selling things you don't need, cutting your cable, using coupons at the grocery store, or delivering pizzas for a side hustle.

### No:

Not a problem! You've made up your mind and you're ready to move! A smaller down payment is sometimes necessary when you're taking your first leap into homeownership. Have no fear, buying a home is still well within reach. For most mortgages, the minimum down payment is 3%. Try to put down as much money as possible while maintaining your emergency fund and some savings. Also, it's worth checking to see if you qualify for any down payment assistance programs in your area.



**Quick Fact:** The more money you put down in the beginning, the less you pay in interest in the long run.



# MORTGAGE MATH TIPS

- Assess your personal finances and find out how much you can really afford. **We recommend that your house payment is no more than a fourth of your take-home pay each month.** Many lenders will qualify you for up to 42% of your take-home pay but we want to make sure you don't get in over your head. We will structure your home loan the way you want while encouraging you to stash away some savings. It's not fun to be house poor!
- It's important to work with a Home Loan Specialist who can sit down with you and have a real conversation about what's best for your situation. No one wants a cookie-cutter mortgage and we can certainly help with that!

Now that we've gotten the basics out of the way with how much house you can afford and some down payment options, it's time to figure out your next steps.

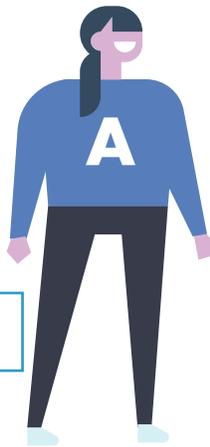
## LET'S LOOK AT AN EXAMPLE

Jamie is purchasing a 3-bedroom home that costs **\$200,000** with a **30-year fixed rate** mortgage of **4.0%**.

DOWN PAYMENT (%): 20%

DOWN PAYMENT (\$): \$40,000

MONTHLY PAYMENT: **\$736**

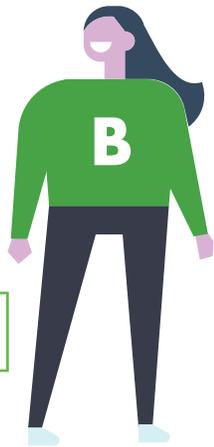


**Jamie A** puts **20%** for a down payment – which is **\$40,000**. Because she put 20% down up front, she's not required to have Private Mortgage Insurance. Her monthly payment will be **\$736**.\*

DOWN PAYMENT (%): 3%

DOWN PAYMENT (\$): \$6,000

MONTHLY PAYMENT: **\$1,092**



**Jamie B** puts **3%** for a down payment – which is \$6,000. Because of this, she will now have a higher monthly mortgage payment to cover her **Private Mortgage Insurance**. Her monthly payment will be **\$1,092**.\*

\*The monthly payment amount shown includes principal, interest, and, if applicable, mortgage insurance, only. Your actual monthly payment will be higher if an escrow/impound account is established or required. These examples are both shown for a \$200,000 conventional fixed-rate loan and an APR of 4.633%. Stated rates and terms are intended as examples only. Refer to a Home Loan Specialist to run actual numbers for your situation.



# NAVIGATING THE MORTGAGE PROCESS

## Is the housing market in your area considered to be competitive?

### Yes:

Becoming a Churchill Certified Home Buyer is the way to go, friend! You'll submit your financial documents to be reviewed by an underwriter. This is **the best way to take away the stress** of not knowing if your loan will be approved and showing the homeowner's agent that you're a reliable buyer.

Plus, you've done a bulk of leg work up front which makes the home buying process quick and smooth once you've found the right home. Both you and the seller will have peace of mind that your funds will be approved when it's time to sign on the dotted line. We've also found that **you'll get to the closing table and in your new home faster** (often up to 7-10 days sooner than your competition).

It's way better than a standard pre-qualification which is not an approval of credit and does not signify that underwriting requirements have been met.

As a Certified Home Buyer, you can become Rate Secured which provides additional peace of mind as you navigate the home buying process. You'll be able to **secure a low interest rate for 90 days** whether you've found a property to purchase or not. If you don't find a home in that initial 90-day period, you can easily reset the rate for another 90 days.

More importantly, **if interest rates decrease during the lock time, you'll receive the lower rate** at closing. It's a great option to have so you don't have to deal with rising rates.

**Fact of the Day:** Nationwide, the real estate market is remaining hot in 2021, so it's important to make sure you get the gold standard of pre-approvals and become a Churchill Certified Home Buyer today. This unique point of difference will help set you apart from other home buyers.

### No:

You can get pre-qualified in a matter of minutes but remember that **a mortgage pre-qualification isn't very reliable**. You can often get misled with incomplete or vague information so just be careful when going this route.

Getting a pre-approval can take up to a few hours and carry more weight than a pre-qualification since you're submitting actual financial documents for review. Often new home buyers think they're good to go at this point, but you can still lose your dream home due to issues that arise before closing.

It's important to note the significance of having an actual conversation with your Home Loan Specialist to find out a realistic timeline for your closing based on your situation.



## LET'S CATCH UP WITH JAMIE AGAIN TO SEE HOW SHE'S DOING:



**Jamie A** became a Churchill Certified Home Buyer. She was able to put a competitive offer on her dream home and get it accepted quickly. The whole process moved fast since she'd done a bulk of the leg work upfront as a Certified Home Buyer.

"I so appreciated how well I was taken care of throughout every interaction with Churchill. Getting certified for my loan put me above the other offers and helped get my offer accepted on my home!"

- **Christena F., IN**

**Jamie B** decided to get a standard pre-qualification. When she found her dream home, she made an offer but got stuck in a bidding war, and the seller went with a more attractive offer. She found another home and her offer was accepted. During underwriting, she experienced several hiccups that meant she had to delay her closing date, but she is now finally in her new home!



# RELATIONSHIP BUILDING IS A GAME CHANGER

## Do you want to know as much as possible about your mortgage?

### Yes:

Clarity is key here. We make sure you know what is going on with your home loan every step of the way.

### How this works:

#### • Initial conversation through the application:

We'll provide you with a Homeowner Strategy Meeting to give insight into your mortgage options so you can better understand the process and progress. It's like your personal mortgage blueprint!

• **Application process through closing:** You'll gain access to our private mobile app to get full visibility of your loan status. This helps you and your Home Loan Specialist stay in sync. You'll also be able to quickly upload required documents—talk about convenience!

• **After closing:** You'll receive ongoing communications from your Home Loan Specialist so you have a personalized experience that you feel good about and stay up-to-date on everything from refinancing options to becoming a debt-free homeowner. We call this our Churchill Checkup!

If you're currently renting you can compare what it costs to rent a home versus buy a home, if you're in the market to buy a home you can compare several properties and interest rates, and if you're already a homeowner you can look at your best refinancing options. When you're making a big life change like

owning or refinancing a home, it's necessary that you **work with someone who can offer guidance along the way.**

### No:

Successfully navigating the mortgage process can be trying for some people so why not work with someone who specializes in home loans? Being left in the dark about one of your biggest investments in your lifetime can cause more stress, increased burden, and less savings.

Making a one-on-one connection with a Home Loan Specialist can be the difference-maker while looking for a home. There's no benefit in having no support. When you're able to have real conversations with an actual human **you know it makes a difference in your success**—we truly believe this! So, pick up the phone to call or text, or send your Home Loan Specialist an email when you need to ask a question or just share some information. We love to hear from you.



## WHAT'S NEXT FOR JAMIE?

REFINANCES INTO A  
15-YEAR WITH A  
LOWER RATE!

STAYS IN THE INITIAL  
30-YEAR LOAN



**Jamie A** continues to stay in touch with her Home Loan Specialist and is notified that it might be a good option for her to refinance from a 30-year loan to a 15-year loan. She can now get a lower interest rate than her initial 30-year loan, refinance to a 15-year loan, and save on her overall interest. Her monthly payments went up a little, but she'll pay off her home a lot quicker so she's excited about what's in store for her future!

**Jamie B** decides her home loan is fine just how it is and doesn't pick up the phone when her Home Loan Specialist gives her a call to check in. She hasn't been great about checking her emails either. Unfortunately, **Jamie B** missed her window of time to refinance to a lower interest rate and save more money, so she'll stay in her initial 30-year home loan.



# A NEW DEFINITION OF THE AMERICAN DREAM

## Do you want to be a debt-free homeowner?

### Yes:

Our culture tends to tell us that you will always have a mortgage, but we know that's just not true. At Churchill, we do things a bit different than other mortgage companies. We believe in a better version of the American dream—debt-free homeownership. Let that sink in for a minute—**you can own a home free and clear.**

Our mission is to help you find the best path to owning your home, regardless of your starting point. We'll help you find the right strategy to pay off your house quickly, so you can have more financial freedom.

This means that you've signed the papers on closing day, **our relationship carries on.** It's important to us that each customer is viewed as a real person with long-term financial goals, not just a transaction. Can you even imagine how nice it would be if your largest bill each month was your electric or utility bill? It's possible and not as difficult as many people think.

### No:

We get it, being a debt-free homeowner sounds like a lofty goal. And just like with every other financial decision you make in life, this one is personal and situational. If you don't think paying off your house should be one of your goals, sit down and make a pros and cons list. What would owning your home free and clear look like for you and your family? This is also a great time to sit down and look at your budget and see if you can cut costs anywhere and check your household spending. We all know it can quickly get out of control if it's not regularly watched.

**Useful Tip:** If you have other debt with higher interest rates like credit cards or car payments, develop a plan to pay down those obligations in full before putting additional payments toward your mortgage. As a rule, the higher the interest rate, the faster you'll want to get rid of the debt.



# WONDERING WHAT HAPPENS WITH JAMIE? WE WOULDN'T LEAVE YOU HANGING!

DEBT-FREE  
IN **7** YEARS



DEBT-FREE  
IN **23** YEARS



**Jamie A** is now in a 15-year mortgage and is expecting to pay off her loan in the next 7 years. As a result, she will be debt free in 7 years saving her thousands in interest! She uses this savings to get a head start on her children's education fund.

**Jamie B** is doing great, but still has 23 years left on her 30-year mortgage, and will continue to pay interest which costs her more over the longer term of her loan. She will be debt free in 23 years.



# DETAILS MATTER

Since you took the time up front to figure out your finances and find a home that you can really afford, you'll reap the rewards in the long run. You'll be able to pay off your home faster, invest money, build wealth while still being able to donate to charities you want to support and ultimately setting yourself up for future success.

## POWER

Shop smarter with Churchill's Certified Home Buyer and Rate Secured programs. Rate Secured is just one of the benefits of becoming a Certified Home Buyer which is where we pre-underwrite your home loan before you even go under contract.

## CLARITY

Understand your mortgage options through a complete Homeowner Strategy Meeting and have all of your mortgage questions answered by your personal Home Loan Specialist.

## PEACE

Eliminate the worry of possible interest rate increases and close faster so you move into your new home sooner. You'll have peace of mind during the entire mortgage process and even after you close thanks to our Churchill Checkup.

At the end of the day, your mortgage decisions are about **what's best for you and your family**, and we're here to be your guide.



**CHURCHILL**  
**MORTGAGE®**



Home Scout® and Sold Home Alert® are free home finding services provided directly to you by HBM2, a licensed real estate brokerage.  
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In the initial 90-day period, Rate Secured is available on 30-year conventional conforming loans and high-balance fixed-rate loans. It is not available on investment property home loans or no score (zero credit score) loans.

The Churchill Certified Home Buyer program is not a commitment to lend funds and is not an approval but is a conditional approval subject to your acceptance of the terms and the conditions being fully satisfied prior to closing. All conditions are subject to final underwriting and final investor approval. The certification is subject to the financial status and credit report(s) of everyone on the application remaining substantially the same until closing, an acceptable contract of sale on a suitable property, collateral (the appraisal, title, survey, condition, and insurance) satisfies the requirements of the lender and loan selected is still available in the market. All closing conditions of the lender must be satisfied including the clear transfer of the title, acceptable and adequate title and hazard insurance, flood certification, and any inspections that are required by the real estate contract.

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